



राष्ट्रीय सहकारी विकास निगम
NCDC
Assisting Cooperatives. Always!

राष्ट्रीय सहकारी विकास निगम
National Cooperative Development Corporation

Central Sector Scheme on
Formation and Promotion of 10,000 FPOs

**Standard Operating Procedure for
Processing and Approval of
Application for Equity Grant**

For NCDC Internal Circulation Only
FPO Cell, Email: coopfpo@ncdc.in
July 2021



The first meeting of Ministry of Cooperation taken by the first Minister for Cooperation of India **Shri Amit Shah Ji** on 9 July 2021



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NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

**Central Sector Scheme on
Formation and Promotion of 10,000 Farmer
Producer Organisations**

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राष्ट्रीय सहकारी विकास निगम
NATIONAL COOPERATIVE DEVELOPMENT CORPORATION

No. NCDC: 5-87/2019-ICDP

Dated: 30.07.2021

CIRCULAR

Sub: CSS-Formation and Promotion of 10,000 FPOs- SOP for Processing and Approval of Application for Equity Grant –Reg.

The following instructions are hereby issued with the approval of the Competent Authority for compliance by all concerned.

- i. The FPO will submit application for Equity Grant in prescribed format with enclosures, signed by the Chairman/ Chief Executive Office and one member of Board of Director authorized along with all documents duly attested by CA/ Cooperative Auditor in triplicate (One Original and Two Copies attested by the Chairman/ CEO and the concerned CBBO). The application will be accompanied by a Check list of documents, Declaration by the FPO and details of membership.
- ii. The CBBO will check and verify all the documents, record its recommendation and submit the application of the FPO to NCDC Regional Office in prescribed format.
- iii. The Verified and recommended documents by CBBO will be examined and approved, if found in order, by Regional Director, NCDC.
- iv. After approval of the application for Equity Grant, Regional Director, NCDC will forward a copy of the application with all documents, CBBO recommendation to FPO Cell, NCDC, HO.
- v. NCDC, HO will submit the claim to DAC&FW, Government of India for disbursement of eligible Equity Grant funds to NCDC for payment to beneficiary FPO.
- vi. Equity Grant will be disbursed to concerned FPO either by NCDC after the funds are received from DAC&FW or directly by DAC&FW, Government of India as per the procedure finalised by Government of India.
- vii. On receipt of Equity Grant, the FPO will issue additional shares to its members and submit the (i) List of additional shares issued by it to its shareholder members under the Scheme, duly approved by Board of Directors, along with the respective Folio Numbers, verified and certified by a Chartered Accountant (CA), within 45 days of receiving the fund to NCDC.

Lalit Goel
Chief Director

Check list for availing Equity Grant under CSS- Formation and Promotion of 10,000 FPOs

- (i) Registered under Cooperative Societies Act prevailing in the State.
- (ii) It has raised equity from its Members as laid down in its Articles of Association/ Bye laws.
- (iii) The number of its Individual Shareholders is in accordance with the terms hereto read together with the Scheme (minimum 300 in plains and 100 in NE & Hilly areas)
- (iv) Minimum 50% of its shareholders are small, marginal and landless tenant farmers as defined by the Agriculture Census carried out periodically by the Ministry of Agriculture, Gol.
- (v) Women farmers' participation as its shareholders.
- (vi) Representation of women farmer member(s) in the Board of Directors of the FPO (minimum one woman member)
- (vii) Maximum shareholding by any one member not more than 10% of total equity of the FPO.
- (viii) No farmer member of the FPO is a member of another FPO with same produce clusters
- (ix) No farmer member is availing Equity Grant under the scheme in any other FPO
- (x) It has a duly constituted Management Committee responsible for the business of the FPO.
- (xi) It has a business plan and budget for next 18 months that is based on a sustainable, revenue model as may be determined by the Implementing Agency.
- (xii) Duly filled in and signed Application Form (**Annex-A**) for seeking Equity Grant along with enclosures as below (3 copies – One original and two copies attested by the FPO & CBBO)
 - a. Shareholder List and Share Capital contribution by each member verified and certified by a Chartered Accountant (CA)/Co-operative Auditors prior to submission (**Annex-B**)
 - b. Resolution of the Board of Directors/Governing Body to seek Equity Grant for members (**Annex-C**)
 - c. Consent of shareholders, stating name of shareholder, gender, number of shares held, face value of shares, land holding and signature signifying consent for Implementing Agencies to directly transfer the Equity Grant sanctioned to the FPO on their behalf, to FPO Bank account, against the consideration of additional shares of equivalent value to be issued to them by FPO and on exit- transfer of the shares as per rules (**Annex-D**).

- d. Membership details of the FPO (SC/ST/ Women, Small/Marginal/Tenant Farmers etc.) as per format (**Annex-E**).

- e. If the FPO is in operation for more than one or more financial year then copy of the Audited Financial Statements of FPO for all years of existence of the FPO, verified and certified by a Chartered Accountant (CA)/ Cooperative Auditors prior to submission enclosed.

- f. In case FPO is in operation for period of less than one financial year, Photocopy of Bank Account Statement for last six months authenticated by the Branch Manager of the "Bank" is enclosed.

- g. Business Plan of FPO and budget for next 18 months enclosed.

- h. Board Resolution authorising the Representatives/ Directors for executing and signing of all documents under the scheme enclosed.

- i. Names, photographs, and identity proof (anyone from among ration card, Aadhaar card, election identification card, passport) of Representatives/ Directors authorized by the Board for executing and signing all documents under the Scheme enclosed.

- j. Each page of the Application Form and accompanying documents signed by a minimum of two Board Member /Authorized Representatives of the FPO.

- k. All the information/documents are verified by CBBO for submission to NCDC (IA)

- l. Verification Certificate by CBBO enclosed (**Annex-F**).

- m. Declaration/ Acceptance of sanction of Equity Grant by the FPO to abide by the Operational guidelines of the scheme (**Annex-G**).

Application Form for seeking Equity Grant by FPO

Date:

To,

The Managing Director
National Cooperative Development Corporation (NCDC),
4, Siri Institutional Area,
Hauz Khas, New Delhi 110016.

Sub: Application for Equity Grant under scheme of Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)

Sir/Madam,

We herewith apply for Equity Grant as per the provisions under the captioned scheme.

1. The details of the FPO are as under-

S. No.	Particulars to be furnished	Details
1.	Name of the FPO	
2.	Correspondence address of FPO including email id, if any.	
3.	Contact details of FPO, Mobile number of Chairman/Secretary/other member	
4.	Registration Number	
5.	Date of registration/incorporation of FPO	
6.	Brief account of business of FPO	
7.	Number of Shareholder Members	
8.	Number of Small, Marginal and Landless Shareholder Members	Small- Marginal- Landless -
9.	Paid up Capital (in INR)	
10.	Amount of Equity Grant sought(in INR)	
11.	Maximum shareholding of an Individual Shareholder Member	
12.	Bank name in which account is maintained	
13.	Account number	
14.	Branch name & IFSC code	
15.	Number of Directors with their briefs (Supporting documents)	
16.	Mode of Board formation (election/ nomination)	
17.	Number of Women Director(s)	

18.	Date(s) of Board/Governing Body Meetings held in the last year	
19.	Number of functional committees of the FPO: (Mention the major activities of each committee)	1. 2. 3.
20.	Roles & responsibility of Boards/ Governing Body	1. 2. 3. 4.

2. Details of Members of Board/ Governing Body

S. No.	Name of the Members of Board/ Governing Body	Role in the FPO	Aadhaar Number	Qualifications Tenure (in yrs.), if any	Contact No./ Address	Land holding (in Acres)
1.						

3. Details of Shareholding of FPO Members-

Sl. No.	Number of shareholders	Number and face value (INR) of shares allotted	Total amount paid (including premium in INR.)
1			

We certify that no member of our FPO had availed Equity Grant facility earlier.

We submit our application along with the mandatory documents and request that the equity grant be approved.

Yours faithfully,

President/Chief Executive Officer/Manager
Authorized Representative/ Director of FPO

Shareholders' List and Share Capital contribution by each member verified and certified by a
Chartered Accountant (CA) prior to submission

S.No	Member Name & Gender	Date of Membership	Share Money deposited by member(INR)	No. of Shares allotted (Share Value in INR)	Folio Share distinctive Number	Land holding of Shareholders (in Acres)	Land Record (Khasra No.)

Signature of President/ Authorised Signatory

Name:

Place:

Date:

Signature of CEO

Name:

Place:

Date:

Verified and certified

Chartered Accountant (CA)

(Sign and Seal)

Membership No of CA:

PAN of CA:

**Resolution of Board of Directors/Governing Body to seek Equity Grant for Members
FPO to seek Equity Grant for Shareholders (Certified true Copy)**

- a) Place of meeting.....
- b) Date of meeting.....

Agenda of Meeting: to avail Equity Grant support

Whereas, the FPO has been formed under.....(legal registration status of FPO) and on the basis of the decision of the AGM/EGM(held on).....(mention the date) to avail Equity Grant support under the Scheme.

We, the Board of Directors of the FPO unanimously resolve that-

- i. The grant shall be utilized for business enhancement of the FPO.
- ii. The basis of allocation of the said fund shall be the individual share money contribution by members and in accordance with the criteria laid down in the Scheme.
- iii. The accounts of the said grant shall be maintained in a proper manner.
- iv. The benefit of the said support shall be extended shareholder member-wise and shall be available to an individual till she/he is the member of the FPO.
- v. If a shareholder member quits the FPO at any point, the shares issued in lieu of the grant shall be retained by the FPO and shall not be paid to the member but shall be allocated to a new/additional existing member as per the scheme guidelines. This has been discussed in the AGM/EGM held for this purpose on..... (Date) and the Shareholders are fully cognizant of the Terms and Conditions of the Scheme & have agreed to abide by the same.

We further resolve that to execute the documents pertaining to this support, the President / in his absence, any one of the following Directors of the FPO for any reason due to non-availability of the President and the Chief Executive of FPO, whose signatures are given below and certified by the Bank are authorized to sign all documents and forms jointly. Further resolved that this Resolution be communicated to National Cooperative Development Corporation (NCDC) and shall remain in force until further notice in writing.

Signed by the CEO & Board of Directors and Sealed.

S. No.	Name	Designation	Signatures

Consent Form of all Shareholders

We are Shareholders in.....(Name of the FPO) located in(Name

of village/block/ district/ State). We have purchased.....number of issued Shares) worth Rs. (value of the issued Shares) from the FPO, as per the list below-
 (List to be attached stating name of shareholder, gender, number of shares held face value of shares, land holding, and signature.)

We have been informed about /read the Terms and Conditions of the EG and agree to the same. In particular, each shareholder hereby agrees that the entire amount of Equity Grant sanctioned by National Cooperative Development Corporation (NCDC) on our behalf be directly transferred to our FPO's account towards the consideration of additional shares to be issued to us of equivalent amount in the FPO.

On receipt of the amount, the FPO shall immediately, issue additional shares to respective shareholders, of the equivalent amount sanctioned to each shareholder by the National Cooperative Development Corporation (NCDC).

We also agree that should any shareholder at any point cease to be a Member of the FPO for any reason whatsoever, the additional shares against the Equity Grant that stand in his/her name shall be retained by the FPO to be allocated to another Member as specified under the Scheme and that in such a case, he shall not receive the value of the share.

In support of our consent, we have affixed our signatures /thumb impressions below: Consent details:-

Sl. No.	Name & Gender of Shareholder	Current Equity holding (Number and Face Value in INR)	Current Landholding (in acres.)	Signatures/ Thumb impressions
1.				
2.				
3.				

We declare that the information furnished by the shareholders above is true.

Signature Chief Executive Officer

Signature President/ Authorized Signatory

Name:

Name:

Place:

Place:

Date:

Date:

FPO Seal:

Verified and certified by CA.

Chartered Accountant (CA)

Name:

Signature

Seal

Membership No of CA:

PAN of CA:

Countersigned

by Bank Manager (of the Bank where the FPO has the account with Seal)

Details of Shareholder Members

S.No	Member Name	Gender	Date of Membership	Share Money deposited by member(INR)	No. of Shares allotted (Share Value in INR)	Land holding of Shareholders (in Acres)	Whether SC/ST/Other	Whether Small/Marginal/Tenant Farmer

Summary of Membership of FPO:

S.No	Membership Details of FPO (No.)								No. of Members of FPO				
	SC		ST		Other		Total		Small	Marginal	Tenant	Other	Total
	Man	Woman	Man	Woman	Man	Woman	Man	Woman					

Signature Chief Executive Officer

Name:

Place:

Date:

Organisation Seal:

Signature President/ Authorized Signatory

Name:

Place:

Date:

On the letterhead of the Cluster Based Business Organization (CBBO)

Verification Certificate

I,(name of the Authorized Signatory),(Designation) of (name of CBBO) have thoroughly checked and verified all the information and documents submitted by (Name of FPO) and its application for availing Equity Grant under Central Sector Scheme - Formation and Promotion of 10,000 FPOs, as authorized by Board Resolution No..... dated..... of meeting held onfor further submission to the Implementing Agency – National Cooperative Development Corporation (NCDC).

Signature of Authorized person:

Name of the Authorised person:

Designation of the Authorised person:

Name of the Organisation:

Date:

Place:

Seal of the Organisation:

On the letterhead of the Farmer Producer Organization

Declaration / Acceptance of sanction of Equity Grant:

We,..... (name of FPO),..... Vill.....PO.....District..... State..... PIN..... having Registration No.....Date.....Registered underCooperative Societies Act,.....(Year) do hereby affirm and declare that all the information and particulars furnished by the FPO for seeking Equity Grant under the Central Sector Scheme - Formation and Promotion of 10,000 FPOs are true and correct. We agree to abide by the terms and conditions of Equity Grant as prescribed in the Operational Guidelines of Central Sector Scheme - Formation and Promotion of 10,000 FPOs, as amended from time to time.

Signature with Seal

Signature with Seal

Authorised Representative/Director of FPO

President / Chief Executive Officer / Manager

Name:

Name:

Date:

Date:

Place:

Place:

NCDC

सहकार प्रज्ञा

SAHAKAR PRAGYA

**For Primary
COOPERATIVES**

**Eighteen Regional Training Centres
For Primary Cooperatives as FPOs**

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